

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5297S.07C  
 Bill No.: SCS for SB Nos. 984 & 968  
 Subject: Insurance - Health; Pharmacy; Pharmacy  
 Type: Original  
 Date: March 30, 2026

Bill Summary: This proposal modifies provisions relating to pharmacy benefits managers.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Insurance Dedicated Fund (1566)*	(\$653,472 to \$903,472)	(\$719,152 to \$969,152)	(\$727,555 to \$977,555)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$653,472 to \$903,472)</b>	<b>(\$719,152 to \$969,152)</b>	<b>(\$727,555 to \$977,555)</b>

\*Estimated costs include contracted consultations with a pharmacist for the completion of market conduct investigations or examinations and 3 FTE for DCI.

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Insurance Dedicated Fund (1566)	3 FTE	3 FTE	3 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>3 FTE</b>	<b>3 FTE</b>	<b>3 FTE</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§338.600, 376.387, and 376.394 – Pharmacy Benefit Managers

Officials from the **Department of Commerce and Insurance (DCI)** assume this proposal would amend the pharmacy practice act to address audits of pharmacy records by managed care companies, insurance companies, or pharmacy benefit managers.

The proposal also makes changes to insurance laws related to pharmacy benefit managers (PBMs). These changes include broadening the definition of a “covered person” and allowing the Department to audit information provided by a PBM. It outlines requirements for information that must be included in claims data submitted by a pharmacy for payment by a PBM. The proposal requires PBMs to provide the Department and plan sponsors with documentation of benefit designs that encourage or require enrollees to fill prescriptions at the PBM’s affiliates. It requires PBMs with affiliates to disclose specified information to the plan sponsor and to the Department. It specifies that PBMs owe a fiduciary duty to each plan sponsor. Finally, the proposal states that the Department may “audit” a PBM to ensure compliance.

This proposal does not include a new benefit mandate; however, it would impose additional regulatory requirements on the Department, which will likely require expertise that the Department currently lacks. Additionally, if implemented, this proposal may lead to increased consumer and provider complaints.

DCI will need to contract with firms with the necessary knowledge and expertise to determine compliance with the new provisions. In addition, DCI will need 1 FTE Examiner-in-charge and 2 FTE Insurance Examiners due to the number and complexity of investigations/examinations needed to ensure compliance. Contracted consultation with a pharmacist for the completion of market conduct investigations or examinations are assumed to be an annual cost of \$250,000 to \$500,000 using an assumed hourly rate of \$300-\$500.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the estimated cost as provided by the DCI to the Insurance Dedicated Fund (1566).

Officials from the **Missouri Department of Transportation (MoDOT)** assume this bill has no direct impact on the MoDOT-MSHP medical plan but could increase costs for third party administrators which in turn would be passed on to the plan when the contract is renewed.

**Oversight** assumes the increase in cost for the third-party administrators being passed onto the plan when contracts are renewed is speculative. Actual increase depends on negotiations, timing and utilization; and therefore will not reflect a fiscal impact in the fiscal note for this agency.

Responses regarding the proposed legislation as a whole

Officials from the **Department of Health and Senior Services**, the **Department of Social Services**, the **Missouri Department of Conservation**, the **Missouri Consolidated Health Care Plan** and the **City of Kansas City** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to the Missouri Department of Transportation for the potential fiscal impact of this proposal.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>INSURANCE DEDICATED FUND (1566)</b>			
<u>Cost – DCI (§§338.600 - 376.394) p.3</u>			
Personal Service	(\$224,928)	(\$275,312)	(\$280,818)
Fringe Benefits	(\$131,306)	(\$159,738)	(\$161,953)
Equipment and Expense	(\$47,238)	(\$34,102)	(\$34,784)
<u>Total Costs – DCI</u>	<u>(\$403,472)</u>	<u>(\$469,152)</u>	<u>(\$477,555)</u>
FTE Change – DCI	3 FTE	3 FTE	3 FTE
<u>Cost – DCI (§§338.600 - 376.394) Contracted consultation p.3</u>	(\$250,000 to \$500,000)	(\$250,000 to \$500,000)	(\$250,000 to \$500,000)
<b>ESTIMATED NET EFFECT ON THE INSURANCE DEDICATED FUND (1566)</b>	<b>(\$653,472 to \$903,472)</b>	<b>(\$719,152 to \$969,152)</b>	<b>(\$727,555 to \$977,555)</b>
Estimated Net FTE Change on the Insurance Dedicated Fund (1566)	3 FTE	3 FTE	3 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act modifies provisions relating to pharmacy benefit managers.

This act adds definitions for the terms "audit" and "entity" for the purposes of audits of licensed pharmacies. Current law requires a one week notice for any on-site audit. This act increases such notice to fourteen days and requires the notice to specify specific prescriptions to be audited. A pharmacy shall have the right to submit amended claims within thirty days of the discovery of an error. Audits shall be limited to forty unique prescriptions, with a maximum of two hundred separately adjudicated claims, that are randomly selected, and the act provides that recoupment shall only occur following the correction of a claim, as described in the act. No audit shall occur during the first five business days, rather than the first three, of any month. An entity shall not perform more than two audits of a pharmacy in a calendar year, unless fraud is suspected. (Section 338.600)

This act modifies the definitions of "health carrier" and "pharmacy benefits manager" and adds definitions for "contracted pharmacy", "pharmacy benefits manager affiliate", for the purposes of regulating costs charged to covered persons for prescription drugs. Additionally, PBMs are prohibited from including a provision in a contract that requires payment for a prescription drug that exceeds the lesser of either the copayment amount or the amount the person would pay if they paid in cash. This act provides that the price shall also not exceed the contracted rate the pharmacy would be reimbursed for the drug. (Section 376.387)

This act modifies several definitions and adds new definitions for the purpose of regulating contracts between pharmacy benefits managers and pharmacies. The act also adds several provisions relating to contracts between PBMs and pharmacies, including providing plan sponsors with pharmacy claims data, submitting documentation of any benefit design that encourages or requires the use of affiliated pharmacies, and authorizing the Department of Commerce and Insurance to conduct audits of PBMs. (Section 376.387)

This act requires the Department of Commerce and Insurance to establish a critical access care pharmacy program to ensure the sustainability of critical access care pharmacies in the state. (Section 376.394)

Finally, this act requires plans beginning on or after January 1, 2027 to comply with H.R. 7148, the Consolidated Appropriations Act, 2026. Contracts or arrangements entered into on or after January 1, 2027, are required to remit one hundred percent of rebates, fees, alternative discounts, and other remuneration received from any applicable entity that are related to utilization of drugs or drug spending. Rebates, fees, alternative discounts, and other remuneration shall be remitted on a quarterly basis, not later than ninety days after the end of such quarter. In the case of an underpayment in a remittance for a prior quarter, remittance shall be given not later than ninety days after notice of the underpayment is first given. The Department of Commerce and Insurance have the authority to enforce this act and shall have the right to any information in this act from any pharmacy benefits manager under investigation individually or in aggregate per their request.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Department of Commerce and Insurance  
Department of Health and Senior Services  
Department of Public Safety - Missouri Highway Patrol  
Missouri Department of Conservation  
Missouri Consolidated Health Care Plan  
Missouri Department of Transportation  
City of Kansas City



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March 30, 2026



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